

0810.03 Obtaining Insurance or Risk Management-Related Services and Associated Fees.

Issued January 1, 1994

SUBJECT: Obtaining Insurance or Risk Management-Related Services and Associated Fees.

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To provide for equitable fees for coordination of insurance and other risk management related services among Executive Branch Departments and Sub-units.

CONTACT AGENCY: Department of Management and Budget (DMB) - State Building Authority (SBA)

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SUMMARY: Agencies must acquire insurance and insurance-related services through, and in conformance with, established procedures of the DMB, State Building Authority pursuant to the DMB Act, PA 431 of 1984. Risk management service fees will be assessed against each agency.

APPLICABLE FORMS: None.

PROCEDURES:

Agency:

- May request specific insurance coverage or risk management related services from the State Building Authority.
- Provided with commercial insurance, auto liability insurance, through the state's Vehicle Self-insurance Fund, or risk management services will be assessed the appropriate fees for obtaining that insurance. The administrative fee associated will be included as part of the insurance billing.
- Accepts all bills for insurance upon receipt.

State Building Authority:

- Evaluates the merit and feasibility of services requested.
- Evaluates scope of requested services and determines appropriate fees.
- Provides the service or procures insurance coverage as deemed appropriate
- Fees:

-Automobiles:

--Charges for this coverage is based on the number of agency owned or leased vehicles, as indicated on the DMB - Vehicle Services Inventory Report.

--An annual premium is developed to assure adequate funding, so as to pay for actuarially determined incurred and paid losses for that policy year.

--This total is spread among the vehicles owned/leased by each unit which are designated as either "A", "B" or "C" type:

---"A" type vehicles are vehicles used primarily for passenger use on public highways.

---"B" type vehicles are work trucks and other van and truck/bus bodies designed for use on public highways.

---"C" type vehicles typically are not licensed for operation on public highways.

-Other commercial insurance:

--Fees will be based on actual charges incurred by SBA plus an administrative fee.

-Other risk management services:

--Fees will be based on actual charges incurred by SBA.

- Informs agency of the fees and prepares interagency billing

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Procedure Update: 1-6-03
Procedure 0810.03